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SERVICE SECTOR INDICATORS

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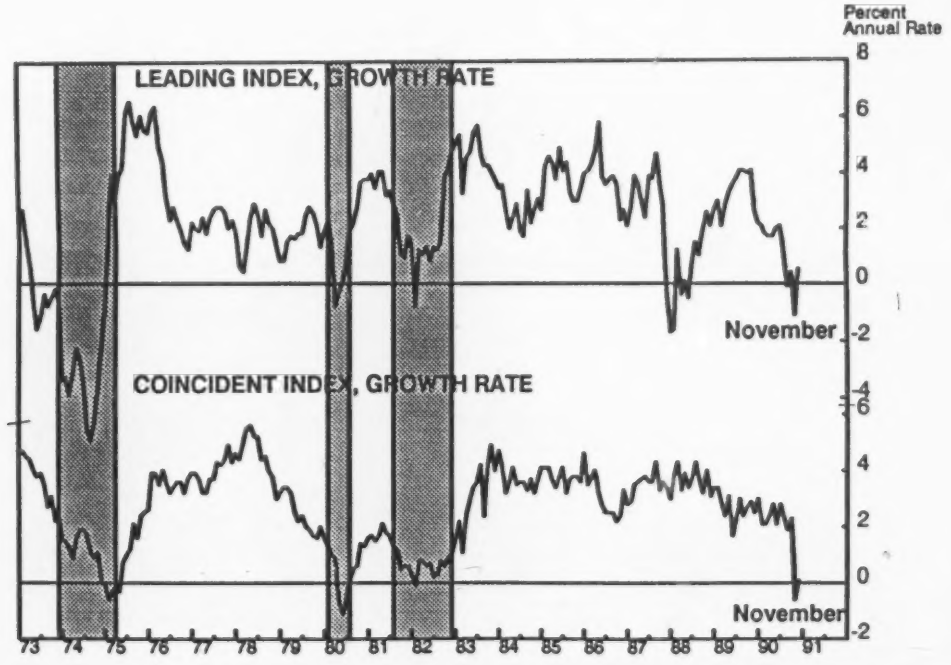
SERVICES INDEXES BOUNCE BACK A BIT

The leading index of service sector activity, compiled by the Columbia Business School's Center for International Business Cycle Research (CIBCR), rose from a revised 155.7 in October to 157.0 in November, pulling its annualized growth rate up from a revised -1.1% in October to 0.5% in November. The rise was caused by a significant rise in services stock prices and small rises in the average workweek in services and construction contracts for commercial buildings, offset in part by a decline in profit margins in services.

The coincident index of service sector activity also rose, from a revised 191.0 in October to 191.8 in November, while its annualized growth rate rose from a revised -0.6% in October to 0.1% in November. The rise was caused by increases in labor income and employee hours in services, partly offset by a drop in personal consumption expenditures in the service sector.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index* (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1989:						
July	155.1r	4.1r	32.80	802r	116.5	114.0r
Aug.	155.5r	4.1r	32.67	802r	121.9	114.5r
Sept.	155.9r	4.0r	32.74	832r	122.1	113.9r
Oct.	156.5r	4.1r	32.81	848r	122.6	113.9r
Nov.	155.8	2.7r	32.69	733r	120.1	114.1r
Dec.	155.8r	2.2	32.69	689r	120.6	113.7r
1990:						
Jan.	156.1r	2.1r	32.61	803r	116.5	114.4r
Feb.	156.2	1.8r	32.74	722r	112.1	114.2
Mar.	156.5	1.7r	32.76	704r	114.6	113.9r
Apr.	156.8r	1.7r	32.81	671r	113.8	113.8r
May	157.4	2.0r	32.76	710r	117.3	114.4
June	157.8	2.1r	32.83	659r	121.2	113.8
July	157.3r	1.2r	32.78	536r	118.5	114.0r
Aug.	156.4	-0.1r	32.66	574r	106.0	114.2r
Sept.	156.9	0.4r	32.92	576r	100.1	113.6
Oct.	155.7r	-1.1r	32.41r	528r	98.0	116.2r
Nov.	157.0	0.5	32.65	553	102.0	115.2

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1989:						
July	188.7r	3.0r	1916.5	1311.7	692.9r	113.2
Aug.	188.5r	2.4r	1923.5	1313.6	692.3r	112.2
Sept.	189.2	2.7	1928.9	1316.2	696.4r	112.8
Oct.	189.9r	2.9r	1934.3	1319.3	698.6r	113.6
Nov.	189.9r	2.5r	1939.7	1318.4	698.1r	113.4
Dec.	190.8	3.0	1941.0	1333.7	700.8r	113.9
1990:						
Jan.	190.3r	2.1r	1942.4	1318.8	696.6r	114.6
Feb.	190.6	2.1	1943.7	1323.2	697.6	114.6
Mar.	191.3	2.4	1946.6	1330.5	701.5r	114.9
Apr.	192.1	2.8	1949.6	1336.9	706.0r	115.5
May	191.8r	2.1r	1952.5	1336.6	705.1r	115.0
June	192.9	2.8	1957.4r	1349.1	707.6r	115.8
July	192.9r	2.3r	1962.4r	1347.7r	707.2r	115.6
Aug.	192.8r	1.9r	1967.3r	1351.5r	705.3r	115.2
Sept.	193.6r	2.3r	n.a.	1353.2r	706.9r	116.3r
Oct.	191.0r	-0.6r	n.a.	1352.8r	690.5r	114.4r
Nov.	191.8	0.1	n.a.	1351.0	695.5	115.2

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

r = revised.

Cols. 1,2,4 and 6 are revised because of revisions in Construction Contracts and Profit Margins

Cols. 7,8 and 11 are revised because of a revised seasonal adjustment for Labor Income.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adjusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.

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